GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2141
ANSWERED ON:29.07.2016
Taxes on Five Star Hotels
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Will the Minister of FINANCE be pleased to state:

(a) the amount of wealth tax collected during each of the last three years, commissionerate-wise;
(b) whether the Government proposes to levy taxes on five star hotels and if so, the details thereof;
(c) the number of five star hotels on which tax is outstanding and if so, the details thereof; and
(d) the action taken against these evading hotels?

Answer

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) The amounts of wealth-tax collections during last three financial years in respect of various Regions under the Income Tax Department are as under:-

Region Gross Wealth Tax collection (in Rs Crore)
Financial Year
2013-14 Financial Year
2014-15 Financial Year
2015-16
(Provisional)
Andhra Pradesh & Telangana 42.78 40.53 38.90
Karnataka 73.90 81.53 76.68
Bihar & Jharkhand 2.91 3.07 3.84
Delhi 158.23 166.13 167.51
Gujarat 56.34 65.20 63.70

Contdâ€¦â€¦2/-

Kerala 12.45 18.24 14.91
Madhya Pradesh & Chhattisgarh 16.45 17.37 15.16
Mumbai 327.11 355.31 370.15
Nagpur 7.80 7.65 7.96
North East Region 6.06 5.18 5.34
North West Region 37.42 35.52 34.48
Odisha 4.42 4.35 3.28
Pune 46.52 44.44 44.51
Rajasthan 19.06 22.13 25.20
Tamil Nadu 90.33 104.57 88.92
Uttar Pradesh (East) 9.61 9.28 8.76
Uttar Pradesh (West) & Uttarakhand 21.26 22.53 24.25
West Bengal & Sikkim 77.43 83.23 87.75
TOTAL 1010.08 1086.27 1081.30

(b) The income of a hotel, including a star rated hotel, is already chargeable to income-tax as per the provisions of the Income-tax Act, 1961. Service tax is also already chargeable on various services provided by hotels including residential and lodging services, if the declared tariff of one unit of accommodation is Rs 1000/- or above.

(c) Data of outstanding taxes in respect of hotels of different star ratings is not separately maintained.

(d) In cases of hotels, like any other business category, action as per the provisions of the relevant taxation law for recovery of outstanding taxes is taken, including attachment of bank account and debtors, attachment and sale of immoveable property, recovery from Directors of the defaulting company, etc.

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